

Executive Summary – Enforcement Matter – Case No. 48251

Frio LaSalle Pipeline, LP

RN106040488

Docket No. 2014-0212-AIR-E

Order Type:

Findings Agreed Order

Findings Order Justification:

Unauthorized emissions which are excessive emissions events.

Media:

AIR

Small Business:

Yes

Location(s) Where Violation(s) Occurred:

Lancaster Ranch Compressor Station and Treating Facility, approximately 2500 feet north of the intersection of State Highway 85 and Farm-to-Market Road 1583, near Dilley, Frio County

Type of Operation:

Compressor station and gas treatment site

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: May 16, 2014

Comments Received: No

Penalty Information

Total Penalty Assessed: \$102,000

Amount Deferred for Expedited Settlement: \$0

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$102,000

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2011

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Frio LaSalle Pipeline, LP
RN106040488
Docket No. 2014-0212-AIR-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: September 27, 2013 through January 21, 2014

Date(s) of NOE(s): January 30, 2014

Violation Information

Failed to prevent unauthorized emissions [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F), 116.615(2), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Standard Permit Registration No. 94152, and Federal Operating Permit No. O3419/Oil and Gas General Operating Permit No. 514, Site-wide Requirements (b)(7)(E)(ii)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

N/A

Technical Requirements:

The Order will require the Respondent to:

- a. Within 30 days, submit a corrective action plan (“CAP”) in accordance with the TCEQ letter dated January 30, 2014 to address the excessive emissions event that began on June 27, 2013 (Incident No. 185052);
- b. Respond completely and adequately, as determined by the Executive Director, to all written requests for information concerning the CAP submitted in connection with the June 27, 2013 through July 19, 2013 excessive emissions event within 15 days after the date of such requests, or by any other deadline specified in writing;
- c. Upon Commission approval, implement the CAP in accordance with the approved schedule; and
- d. Within 15 days upon completion of the CAP implementation, submit written certification to demonstrate compliance with Ordering Provisions a. and c.

Litigation Information

Date Petition(s) Filed: N/A

Date Answer(s) Filed: N/A

SOAH Referral Date: N/A

Hearing Date(s): N/A

Settlement Date: N/A

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Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Rachel Bekowies, Enforcement Division,
Enforcement Team 4, MC 149, (512) 239-2608; Candy Garrett, Enforcement Division,
MC 219, (512) 239-1456

TCEQ SEP Coordinator: N/A

Respondent: Phil Mezey, Chief Operating Officer, Frio LaSalle Pipeline, LP, 18615
Tuscany Stone, Suite 300, San Antonio, Texas 78258

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

DATES
Assigned **3-Feb-2014**
PCW **6-Feb-2014** Screening **6-Feb-2014** EPA Due **27-Oct-2014**

RESPONDENT/FACILITY INFORMATION

Respondent **Frio LaSalle Pipeline, LP**
Reg. Ent. Ref. No. **RN106040488**
Facility/Site Region **13-San Antonio** Major/Minor Source **Major**

CASE INFORMATION

Enf./Case ID No. **48251** No. of Violations **1**
Docket No. **2014-0212-AIR-E** Order Type **Findings**
Media Program(s) **Air** Government/Non-Profit **No**
Multi-Media Enf. Coordinator **Rachel Bekowies**
EC's Team **Enforcement Team 4**

Admin. Penalty \$ Limit Minimum **\$0** Maximum **\$25,000**

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) Subtotal 1 **\$100,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **2.0%** Enhancement Subtotals 2, 3, & 7 **\$2,000**

Notes Enhancement for one NOV with dissimilar violations.

Culpability **No** **0.0%** Enhancement Subtotal 4 **\$0**

Notes The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments Subtotal 5 **\$0**

Economic Benefit **0.0%** Enhancement* Subtotal 6 **\$0**

Total EB Amounts **\$584**
Approx. Cost of Compliance **\$10,000**
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 Final Subtotal **\$102,000**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** Adjustment **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount **\$102,000**

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty **\$102,000**

DEFERRAL **0.0%** Reduction Adjustment **\$0**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

No deferral is recommended for Findings Orders.

PAYABLE PENALTY **\$102,000**

Screening Date 6-Feb-2014

Docket No. 2014-0212-AIR-E

PCW

Respondent Frio LaSalle Pipeline, LP

Policy Revision 3 (September 2011)

Case ID No. 48251

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN106040488

Media [Statute] Air

Enf. Coordinator Rachel Bekowies

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 2%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

Enhancement for one NOV with dissimilar violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 2%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 2%

Screening Date 6-Feb-2014

Docket No. 2014-0212-AIR-E

PCW

Respondent Frio LaSalle Pipeline, LP

Policy Revision 3 (September 2011)

Case ID No. 48251

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN106040488

Media [Statute] Air

Enf. Coordinator Rachel Bekowies

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(b)(2)(F), 116.615(2), and 122.143(4), Tex. Health & Safety Code § 382.085(b), Standard Permit Registration No. 94152, and Federal Operating Permit No. O3419/Oil and Gas General Operating Permit No. 514, Site-wide Requirements (b)(7)(E)(ii)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 285,664.20 pounds ("lbs") of sulfur dioxide and 3,105.79 lbs of hydrogen sulfide from the Maintenance Flare (Emission Point Number MFLARE) during an emissions event (Incident No. 185052) that began on June 27, 2013 and lasted 513 hours and 58 minutes. The emissions event occurred because the front seal on the 200 RO-FLO Compressor was bad, causing the compressor to fail and the excess acid gas to be routed to the Maintenance Flare. This event was determined to be an excessive emissions event.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Major	Harm Moderate	Minor
Actual	x		
Potential			

Percent 100.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to pollutants which exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$0

\$25,000

Violation Events

Number of Violation Events 4

22 Number of violation days

mark only one
with an x

daily	
weekly	x
monthly	
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$100,000

Four weekly events are recommended based on the emissions event that began on June 27, 2013 and ended on July 19, 2013.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$100,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$584

Violation Final Penalty Total \$102,000

This violation Final Assessed Penalty (adjusted for limits) \$102,000

Economic Benefit Worksheet

Respondent Frio LaSalle Pipeline, LP
 Case ID No. 48251
 Reg. Ent. Reference No. RN106040488
 Media Air
 Violation No. 1

Percent Interest 5.0
 Years of Depreciation 15

Item Cost Date Required Final Date Yrs Interest Saved Onetime Costs EB Amount
 Item Description No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$10,000	27-Jun-2013	27-Aug-2014	1.17	\$584	n/a	\$584

Notes for DELAYED costs

Estimated cost for submitting and implementing a corrective action plan. The Date Required is the date the emissions event began. The Final Date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$10,000

TOTAL

\$584

The TCEQ is committed to accessibility.

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



Compliance History Report

PUBLISHED Compliance History Report for CN603741513, RN106040488, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

Customer, Respondent, or Owner/Operator: CN603741513, Frio LaSalle Pipeline, LP **Classification:** SATISFACTORY **Rating:** 0.29

Regulated Entity: RN106040488, LANCASTER RANCH COMPRESSOR STATION AND TREATING FACILITY **Classification:** SATISFACTORY **Rating:** 0.50

Complexity Points: 7 **Repeat Violator:** NO

CH Group: 03 - Oil and Gas Extraction

Location: APPROXIMATELY 2500 FEET NORTH OF THE INTERSECTION OF STATE HIGHWAY 85 AND FARM-TO-MARKET ROAD 1583, NEAR DILLEY, FRIO COUNTY, TEXAS

TCEQ Region: REGION 13 - SAN ANTONIO

ID Number(s):
AIR NEW SOURCE PERMITS REGISTRATION 94152 **AIR NEW SOURCE PERMITS** AFS NUM 4816300011
AIR EMISSIONS INVENTORY ACCOUNT NUMBER FJA003C **AIR OPERATING PERMITS** PERMIT 3419

Compliance History Period: September 01, 2008 to August 31, 2013 **Rating Year:** 2013 **Rating Date:** 09/01/2013

Date Compliance History Report Prepared: February 06, 2014

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: February 06, 2009 to February 06, 2014

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.
Name: Rachel Bekowies **Phone:** (512) 239-2608

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:
N/A

B. Criminal convictions:
N/A

C. Chronic excessive emissions events:
N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	July 30, 2012	(1020957)
Item 2	January 31, 2013	(1046029)
Item 3	June 28, 2013	(1099502)
Item 4	July 05, 2013	(1099469)
Item 5	August 16, 2013	(1113773)
Item 6	October 09, 2013	(1121185)

Item 7	January 27, 2014	(1139604)
Item 8	January 29, 2014	(1145021)

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date:	05/20/2013	(1089041)	CN603741513
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 101, SubChapter A 101.10(e) 5C THSC Chapter 382 382.085(b)		
	Description:	Failure to submit a 2012 Emissions Inventory. CATEGORY B19 (g)(3).		

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
FRIO LASALLE PIPELINE, LP
RN106040488**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2014-0212-AIR-E

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Frio LaSalle Pipeline, LP ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. The Respondent owns and operates a compressor station and gas treatment site located approximately 2,500 feet north of the intersection of State Highway 85 and Farm-to-Market Road 1583, near Dilley, in Frio County, Texas (the "Site").

2. The Site consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During a record review conducted from September 27, 2013 through January 21, 2014, TCEQ staff documented that the Respondent released 285,664.20 pounds ("lbs") of sulfur dioxide and 3,105.79 lbs of hydrogen sulfide from the Maintenance Flare (Emission Point Number MFLARE) during an emissions event (Incident No. 185052) that began on June 27, 2013 and lasted 513 hours and 58 minutes. The emissions event occurred because the front seal on the 200 RO-FLO Compressor was bad, causing the compressor to fail and the excess acid gas to be routed to the Maintenance Flare. TCEQ staff determined that this event was an excessive emissions event.
4. The Respondent received notice of the violations on February 3, 2014.

II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 3, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F), 116.615(2), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Standard Permit Registration No. 94152, and Federal Operating Permit No. O3419/Oil and Gas General Operating Permit No. 514, Site-wide Requirements (b)(7)(E)(ii).
3. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
4. An administrative penalty in the amount of One Hundred Two Thousand Dollars (\$102,000) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent has paid the One Hundred Two Thousand Dollar (\$102,000) administrative penalty.

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of One Hundred Two Thousand Dollars (\$102,000) as set forth in Section II, Paragraph 4 above, for

violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Frio LaSalle Pipeline, LP, Docket No. 2014-0212-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, submit a corrective action plan ("CAP") in accordance with the TCEQ letter dated January 30, 2014 to address the excessive emissions event that began on June 27, 2013 (Incident No. 185052);
 - b. Respond completely and adequately, as determined by the Executive Director, to all written requests for information concerning the CAP submitted in connection with the June 27, 2013 through July 19, 2013 excessive emissions event within 15 days after the date of such requests, or by any other deadline specified in writing;
 - c. Upon Commission approval, implement the CAP in accordance with the approved schedule; and
 - d. Within 15 days upon completion of the CAP implementation, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 2.a. and 2.c. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
San Antonio Regional Office
Texas Commission on Environmental Quality
14250 Judson Road
San Antonio, Texas 78233-4480

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Site operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
7. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.

8. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
9. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
10. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Perry Martin Jr
For the Executive Director

6/20/14
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of Frio LaSalle Pipeline, LP. I am authorized to agree to the attached Agreed Order on behalf of Frio LaSalle Pipeline, LP, and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, Frio LaSalle Pipeline, LP waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Phil Mezey
Signature

04-10-14
Date

Phil Mezey
Name (Printed or typed)
Authorized Representative of
Frio LaSalle Pipeline, LP

Chief Operating Officer
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section III, Paragraph 1 of this Agreed Order.